

**AMENDMENTS TO THE CLAIMS**

The claims in this listing will replace all prior versions, and listings, of claims in the application.

**Listing of Claims:**

1. (Currently Amended) A method of producing a Mg-REM-Ni based hydrogen-absorbing alloy, characterized by comprising a first step of melting a rare earth element starting material having a low evaporation pressure and a nickel starting material in a melting furnace to obtain a melt of REM-Ni alloy; a second step of adding magnesium starting material to the melt of REM-Ni alloy and keeping a pressure inside the melting furnace at a given level to obtain a melt of Mg-REM-Ni alloy; and a third step of cooling and solidifying the melt of Mg-REM-Ni alloy at a given cooling rate.

2. (Original) A method according to claim 1, wherein the temperature of the melt of REM-Ni alloy at the addition of the magnesium starting material is 1250-1400°C at the second step.

3. (Previously Presented) A method according to claim 1, wherein the pressure inside the melting furnace after the addition of the magnesium starting material is kept at not more than 500 Torr at the second step.

4. (Original) A method according to claim 1, wherein the cooling rate in the cooling and solidifying the melt of Mg-REM-Ni alloy is 50-500°C/sec at the third step.

5. (Previously Presented) A method according to claim 2, wherein the pressure inside the melting furnace after the addition of the magnesium starting material is kept at not more than 500 Torr at the second step.